

SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

October 6, 2006

10:00 a.m.

Presiding: Marcia I. Jones, President

227 West Jefferson Boulevard
South Bend, Indiana

1. ROLL CALL

Members Present:

Ms. Marcia Jones, President
Mr. Karl King, Vice President
Mr. Greg Downes, Secretary
Mr. William Hojnacki

Members Absent:

Mr. Hardie Blake

Legal Counsel:

Ms. Cheryl Greene, Esq.

Redevelopment Staff:

Mr. Don Inks, Director
Mrs. Cheryl Phipps, Recording Secretary
Mr. Bill Schalliol, Economic Development Specialist
Mr. Timothy Williams, Economic Development Specialist
Ms. Jennifer Laurent, Economic Development Specialist
Mr. Nicholas Witwer, Economic Development Specialist

Others Present:

Ms. Pam Paluszewski, Legal Dept.
Ms. Charlotte Sobel, South Bend Heritage Foundation
Ms. Glenda Hernandez
Ms. Rita Kopala

2. APPROVAL OF MINUTES

A. Approval of Minutes of the Regular Meeting of Friday, July 21, 2006.

Mr. King asked that the two occurrences of
Richard Nussbaum III be changed to Richard
Nussbaum II.

Upon a motion by Mr. King, seconded by Mr.
Downes and unanimously carried, the Commission
approved the Minutes of the Regular Meeting of
Friday, July 21, 2006, as corrected.

COMMISSION APPROVED THE MINUTES OF THE
REGULAR MEETING OF FRIDAY, JULY 21,
2006, AS CORRECTED

South Bend Redevelopment Commission
Regular Meeting –October 6, 2006

3. APPROVAL OF CLAIMS

Redevelopment Commission Claims submitted October 6, 2006 for approval.

305 SBCDA 2003 BOND

Walker Parking Consultants	1,000.00	
Kaser-Spraker Construction	128,995.92	Façade Renovation
Barnes & Thornburg LLP	1,686.50	

324 AIRPORT AEDA

CFH Landscape Services	1,475.00
City of South Bend	11,704.57
Abonmarche Consultants of Indiana L.L.C.	1,280.00
Sopko, Nussbaum & Inabnit	461.25
Jerome E. Michaels, MAI	3,800.00
Baker & Daniels LLP	425.00
Abonmarche Consultants of Indiana L.L.C.	3,200.00
R.E. Pitts & Associates, Inc.	3,200.00
Ken Herceg & Associates, Inc.	4,500.00
St. Joseph County Treasurer	476.27

414 SAMPLE EWING GENERAL

CFH Landscape Services	2,540.00
------------------------	----------

420 FUND TIF DISTRICT-SBCDA GENERAL

CFH Landscape Services	680.00
Schindler	120.18
AEP	216.23
CB Richard Ellis	606.94
South Bend Water Works	203.96
AT & T	110.55
Jerome E. Michaels, MAI	3,500.00
Ralph D. Lauver, MAI	3,750.00
South Bend Water Works	255.59

422 FUND WEST WASHINGTON

South Bend Heritage Foundation	869.00
--------------------------------	--------

424 FUND TIF SBCDA BUILDING OPERATIONS

CB Richard Ellis	407.60
------------------	--------

619 FUND BLACKTHORN

Meadowbrook Golf Group Inc.	16,000.00
-----------------------------	-----------

<u>\$</u>	<u>191,464.56</u>
-----------	-------------------

3. APPROVAL OF CLAIMS (CONT.)

Upon a motion by Mr. Dowens, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the Claims submitted October 6, 2006, and ordered checks to be released

COMMISSION APPROVED THE CLAIMS
SUBMITTED OCTOBER 6, 2006, AND ORDERED
THE CHECKS TO BE RELEASED

4. COMMUNICATIONS

There were no Communications.

THERE WERE NO COMMUNICATIONS

5. OLD BUSINESS

There was no Old Business.

THERE WAS NO OLD BUSINESS

6. NEW BUSINESS

A. Housing

- (1) Commission approval requested for Loan and Grant in connection with the South Bend Home Improvement Program for property located at 1154 N. Fremont Street. (Elonda Wilder)**

Mr. Inks noted that the loan is in the amount of \$2,950; the grant is \$2,797.50.

Upon a motion by Mr. Hojnacki, seconded by Mr. Downes and unanimously carried, the Commission approved the Loan and Grant in connection with the South Bend Home Improvement Program for property located at 1154 N. Fremont Street. (Elonda Wilder)

COMMISSION APPROVED THE LOAN AND GRANT
IN CONNECTION WITH THE SOUTH BEND HOME
IMPROVEMENT PROGRAM FOR PROPERTY
LOCATED AT 1154 N. FREMONT STREET.
(ELONDA WILDER)

- (2) Commission approval requested for Loan and Grant in connection with the South Bend Home Improvement Program for property located at 1148 W. Jefferson Boulevard. (Rosalinda Leyva)**

6. NEW BUSINESS (CONT.)

A. Housing

(2) continued...

Mr. Inks noted that the loan is in the amount of \$4,100; the grant is \$12,500.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the Loan and Grant in connection with the South Bend Home Improvement Program for property located at 1148 W. Jefferson Boulevard. (Rosalinda Leyva)

COMMISSION APPROVED THE LOAN AND GRANT IN CONNECTION WITH THE SOUTH BEND HOME IMPROVEMENT PROGRAM FOR PROPERTY LOCATED AT 1148 W. JEFFERSON BOULEVARD. (ROSALINDA LEYVA)

B. South Bend Central Development Area

(1) Commission authorization requested by Downtown South Bend to use the portion of the Michigan Street Shops at 117 S. Michigan St. between December 1 and December 24, 2006 for its Holidays with Santa Campaign.

Mr. Williams noted that Downtown South Bend has asked for use of the currently vacant space at 117 S. Michigan St. (former Esprit Décor) for the Holiday with Santa campaign to be held December 1 through December 24. They will secure indemnification. DTSB realizes the space may be leased before then and would then not be available for DTSB use.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission authorized use of the storefront at 117 S. Michigan St. by Downtown South Bend from December 1 through December 24, 2006 for the Holidays with Santa campaign.

COMMISSION AUTHORIZED USE OF THE STOREFRONT AT 117 S. MICHIGAN ST. BY DOWNTOWN SOUTH BEND FROM DECEMBER 1 THROUGH DECEMBER 24 FOR THE HOLIDAYS WITH SANTA CAMPAIGN

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(2) Commission approval requested for Management Agreement by and between the South Bend Redevelopment Commission and Downtown South Bend, Inc. (Surface Parking Lots; South Bend Central Development Area)

Mr. Inks explained that the Commission owns four parking lots in the downtown which Downtown South Bend currently manages for us. Three of those are under lease with DTSB. The fourth is the lot next to the LaSalle Hotel and Morris Performing Arts Center. That lot is currently not under contract. The Commission has been operating these lots under two leases that go back to the early 1990s. Legal counsel has put together a new master Parking Agreement to incorporate all of these to one document. The Baer's Lot next to the Avon Theater was originally purchased with Community Development Block Grant funds, so it will have some separate strings that will be made an exhibit to that document.

Ms. Greene noted that the Parking Agreement with DTSB for management of these lots is the preferred method over leasing them to DTSB. If a developer wants to develop any of those properties the Commission will have more immediate control and will simply notify DTSB that it will no longer be managing that lot.

The Agreement contemplates that DTSB would operate and manage some of the surface parking lots the Commission owns. The parking rates for these lots will be

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(2) continued...

consistent with what the Council passes for downtown public parking. The fees collected will be used for DTSB to support economic development in the downtown area. Specific uses for the funds are laid out in the Agreement so there is clear public benefit from the income off of those lots.

The Agreement also imposes more detail to reporting requirements, setting up budgeting, doing analysis of what expenses are anticipated, and it will address covering the lots with liability insurance.

The Agreement is not final at this time. The staff is still working on it and will bring it back in final form for the Commission's approval.

Ms. Greene noted that a notice will need to be sent to DTSB notifying them that the current leases will be terminated.

Mr. King asked what Ms. Greene anticipated as a term for the Operation and Management Agreement. Ms. Greene said she is looking for direction from the Commission on what term it would like. Mr. King suggested a longer term would help DTSB with their planning. Ms. Greene suggested a term of five years.

Mr. Downes and Mr. King acknowledged that they are members of the Board of Directors of Downtown South Bend, but that position does not give them a pecuniary

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(2) continued...

interest in the outcome of this vote.

Upon a motion by motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission authorized legal counsel to proceed with the development of a form of management agreement with Downtown South Bend, Inc., including notifying Downtown South Bend at an appropriate time of the proposed change.

COMMISSION AUTHORIZED LEGAL COUNSEL TO PROCEED WITH THE DEVELOPMENT OF A FORM OF MANAGEMENT AGREEMENT WITH DOWNTOWN SOUTH BEND, INC., INCLUDING NOTIFYING DOWNTOWN SOUTH BEND AT AN APPROPRIATE TIME OF THE PROPOSED CHANGE

(3) Commission approval requested for First Amendment to Parking Agreement in the South Bend Central Development Area.

Ms. Greene noted that at a previous Commission meeting the Commission authorized her to negotiate an amendment to the parking agreement with the South Bend School Corporation. The definitive agreement has been reviewed by the School Corporation and will be presented to the School Board next week. The agreement allows the School Corporation to install a separate gating system to close off the top two floors. The City will supply surplus gates it has on hand. Working with City parking staff, the School Corporation would install a coordinated gating system so that School Corporation authorized personnel must use the top gates in order to exit the garage without paying. It's an enforcement mechanism to ensure that the School Corporation uses its designated area and leaves the lower levels for the general public. At this time, Ms. Greene noted, there is no

6. NEW BUSINESS (CONT.)

B. South Bend Central Development Area

(3) continued...

cost to Commission for this agreement.

Ms. Jones asked what number of parking spaces the Commission committed to the School Corporation. Mr. Inks responded the commitment was 150 spaces. The gates will be located at 150 spaces.

Upon a motion by Mr. Downes, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the First Amendment to Parking Agreement in the South Bend Central Development Area.

COMMISSION APPROVED THE FIRST
AMENDMENT TO PARKING AGREEMENT IN THE
SOUTH BEND CENTRAL DEVELOPMENT AREA

C. Sample-Ewing Development Area

There was no business in the Sample-Ewing Development Area.

D. Airport Economic Development Area

(1) Commission approval requested for Resolution No. 2272 related to acquisition of property in the Airport Economic Development Area. (Dylan Dr. right of way)

Mr. Witwer noted that Resolution No. 2272 establishes the offering price for 23464 Adams Road and authorizes the sending of a purchase offer in the amount of \$150,000. The property is owned by Waggoner Dairy Farms, Waggoner Farm Development LP and Huron Partners. The offering price was arrived at by averaging two independent appraisals. The property is

6. NEW BUSINESS (CONT.)

D. Airport Economic Development Area

(1) continued...

needed for right of way for the extension of Dylan Drive north to Adams Road to serve as an industrial corridor through Phase I of Portage Prairie.

Upon a motion by Mr. Hojnacki, seconded by Mr. Downes and unanimously carried, the Commission approved Resolution No. 2272 related to acquisition of property in the Airport Economic Development Area.

COMMISSION APPROVED RESOLUTION NO. 2272
RELATED TO ACQUISITION OF PROPERTY IN THE
AIRPORT ECONOMIC DEVELOPMENT AREA

E. South Bend Medical Services District

There was no business in the South Bend Medical Services District.

F. West Washington-Chapin Development Area

There was no business in the West Washington-Chapin Development Area.

G. South Side Development Area

(1) Commission approval requested for Resolution No. 2271 related to acquisition of property in the South Side Development Area by Eminent Domain.

Mr. Schalliol noted that Resolution No. 2271 sets the acquisition price for purchase for the acquisition of permanent and temporary right-of-way needed to facilitate the infrastructure improvements associated with the West Ireland Road Improvement Project. The parcel at 315 West Ireland Road contains one house, located on the northwest corner of

6. NEW BUSINESS (CONT.)

G. South Side Development Area

(1) continued...

Ireland and Lafayette. Engineers have determined that 21,170 sft of permanent right-of-way will need to be acquired from the east side of the property and 1,176 sft of temporary right-of-way will need to be acquired from the south side of the property. The average appraised value per square foot is \$8.40.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved Resolution No. 2271 related to acquisition of property in the South Side Development Area by Eminent Domain.

COMMISSION APPROVED RESOLUTION No. 2271
RELATED TO ACQUISITION OF PROPERTY IN THE
SOUTH SIDE DEVELOPMENT AREA BY EMINENT
DOMAIN

H. Northeast Neighborhood Development Area

There was no business in the Douglas Road Economic Development Area.

I. Douglas Road Economic Development Area

There was no business in the Douglas Road Economic Development Area.

7. PROGRESS REPORTS

Ms. Laurent reported that the Commission has received and approved a Letter of Intent from the principals of Michigan Street LLC for the renovation of the building at 101 N. Michigan, the former American Bank and Trust building. Their entire development proposal anticipates negotiating with the Commission on the acquisition of the property to the north (former Senor Kelly parking lot). We have previously offered this property for public disposition with similar bid

PROGRESS REPORTS

7. PROGRESS REPORTS (CONT.)

specifications to what we would offer it in support of 101 N. Michigan and we have gotten updated appraisals. We will not be going through the public disposition process again because we have met our statutory requirement for that. The developers already own the building. They are already renovating the former Fannie May retail space. The architect is finalizing the construction budget for the façade. The team has asked for public participation on the façade renovation. The developer has also been working with the state Historic Preservation officer on the federal historic tax credit application.

Ms. Charlotte Sobel gave the quarterly report on progress in the West Washington Development Area. Since Basic Machine and Oil Express are completed and in maintenance mode, she won't be reporting on those projects anymore until there is something new. On the Engman Natatorium South Bend Heritage Foundation has completed the environmental cleanup. They had a sewer line test done which showed it was very clean and can be reused. That saves about \$16,000 in the budget. The Board of Public Works awarded the masonry contract to Atlas Building Services to begin the masonry repointing and the terra cotta rework. They specialize in this type of work and were thrilled to get the job. That work will start in ten to twelve days. South Bend Heritage Foundation is about to award contracts for civil and structural engineering, which do not have to be bid. They are also going to have some geotechnical surveying done because they plan to use some "green" building products.

Ms. Sobel noted that they have increased their fundraising to cover the additional costs associated with building "green." South Bend Heritage has raised about 75% of what it committed to the rehabilitation. IUSB is doing its fundraising to furnish the inside of the building and endow all of its staff salaries for the future.

7. PROGRESS REPORTS (CONT.)

Mr. King asked what the future holds for the Basic Machine property and Oil Express. Ms. Sobel responded that South Bend Heritage Foundation has been in preliminary negotiations with the South Bend Housing Authority about buying its adjacent property. The TIF district won't have the money for a few years to do that. Ultimately they'd like to put downtown market rate housing on the combined sites.

Ms. Sobel also noted that the for reusing the Oil Express site, South Bend Heritage Foundation would like to acquire the building at the corner and has made initial overtures. The owner backed off. Acquisition of the old steel pickling plant, which is also adjacent to Oil Express, will have some huge environmental issues. There has been no attempt to acquire that as yet.

8. NEXT COMMISSION MEETING

The next meeting of the Redevelopment Commission is scheduled for Friday, October 20, 2006 at 10:00 a.m.

NEXT COMMISSION MEETING

9. ADJOURNMENT

There being no further business to come before the Redevelopment Commission, Mr. King made a motion that the meeting be adjourned. Mr. Downes seconded the motion and the meeting was adjourned at 10:32 a.m.

ADJOURNMENT

Donald E. Inks, Director

Marcia I. Jones, President

South Bend Redevelopment Commission
Regular Meeting –October 6, 2006

EXECUTIVE SESSION

October 6, 2006

The South Bend Redevelopment Commission met in Executive Session on Friday, October 6, 2006 at 8:45 a.m. The meeting was held in Room 1200 County-City Building, 227 West Jefferson, South Bend, Indiana, for the purposes specified in I.C. 5-14-1.5-6.1(b)(2)(D). Commissioner's Present: Marcia Jones, President; Karl King, Vice President; Greg Downes, Secretary; Bill Hojanaki. Others Present: Sharon Kendall, Executive Director, Community & Economic Development, Don Inks, Director, Economic Development, Attorney Cheryl Greene, Pam Paluszewski, Shawn Peterson, Robert Mathia, Bill Schalliol, Tim Williams, Andy Laurent, Jennifer Laurent, and Nick Witwer, The Commission certifies that no topic was discussed other than the subject matter specified in the Public Notice. The Executive Session was adjourned at 10:00 a.m.

**CITY OF SOUTH BEND,
DEPARTMENT OF REDEVELOPMENT**

Signature

Printed Name and Title

South Bend Redevelopment Commission